

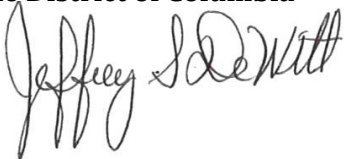
Government of the District of Columbia
Office of the Chief Financial Officer



Jeffrey S. DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeffrey S. DeWitt
Chief Financial Officer 

DATE: April 5, 2016

SUBJECT: Fiscal Impact Statement – Auditor Authority Expansion and Repeal of Outdated Mandates Act of 2016

REFERENCE: Bill 21-377, Draft Committee Print as shared with the Office of Revenue Analysis on March 11, 2016

Conclusion

Funds are not sufficient in the fiscal year 2016 budget and the proposed fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill's implementation will cost \$125,000 in fiscal year 2017 and \$516,000 over the proposed four-year financial plan period.

Background

The bill repeals or amends some of the outdated,¹ duplicative, or deemed-unnecessary audit requirements on the District of Columbia Auditor. Some audit requirements, such as reviews of Deputy Mayor for Planning and Economic Development projects and the Department of Food Service are no longer necessary because the programs are either nearing completion or no longer exist. Financial reviews of the Boxing and Wrestling Commission, the Washington Convention Center Authority, Eastern Market Fund, Public Service Commission, and the University of the District of Columbia Endowment are performed by the Chief Financial Officer and a D.C. Auditor's review is unnecessary. The bill amends the timeframes for auditing school modernization capital projects from annually to every three fiscal years for major audits and annually for sample audits. The bill also repeals the requirement to audit the Armory Board, the Basic Business License Program, and the District-wide financial systems.

¹ For example, an audit is required for the Fraud Prevention Fund (D.C. Official Code § 22-3226.14(d)), but the Fund has never been established.

The Honorable Phil Mendelson

FIS: Bill 21-377, "Auditor Authority Expansion and Repeal of Outdated Mandates Act of 2016," Draft Resolution as shared with the Office of Revenue Analysis on March 11, 2016

The bill transfers the requirement to audit the employer sick leave programs under the Accrued Sick and Safe Leave Act of 2008² from the Auditor to the Department of Employment Services (DOES).³

Financial Plan Impact

Funds are not sufficient in the fiscal year 2016 budget and the proposed fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

DOES will require one additional employee and resources for a contractor to perform the sick and safe leave audit of District employers. Implementation will cost \$125,000 in the proposed fiscal year 2017 budget and \$516,000 over the proposed four-year financial plan period.⁴

Auditor Authority Expansion and Repeal of Outdated Mandates Act of 2016						
Cost of Bill 21-377						
Fiscal Year 2016 – Fiscal Year 2020						
	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	Total
Employee	\$0	\$75,000	\$78,000	\$80,000	\$83,000	\$316,000
Contractor	\$0	\$50,000	\$50,000	\$50,000	\$50,000	\$200,000
Total	\$0	\$125,000	\$128,000	\$130,000	\$133,000	\$516,000

There are no costs associated with repealing or amending the remaining proposed required audits.

² Effective May 13, 2008 (D.C. Law 17-152; D.C. Official Code § 32-131.15).

³ The audit includes an economic impact study of the sick and safe leave law on District's businesses as well private sector compliance with the law.

⁴ Implementation is assumed to begin in fiscal year 2017.